

Message Text

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ACTION EB-08

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E.O. 11652: N/A
TAGS: BEXP MU
SUBJECT: REQUEST FOR INFORMATION ABOUT BOYCOTT PRACTICES FOR
PURPOSES OF EXPORT ADMINISTRATION

REF: (A) STATE 185350; (B) 76 STATE 250007, (C) 76 MUSCAT 1275

1. THE OMAN GOVERNMENT'S BOYCOTT PRACTICES HAVE EASED IN

1977 AND NO LONGER REQUIRE ACTIVE COOPERATION BY FOREIGN EXPORTERS OR CONTRACTORS. BOYCOTT REGULATIONS SHOULD NOT PRESENT MAJOR DIFFICULTIES TO AMERICAN FIRMS DOING BUSINESS IN OMAN.

ANSWERS TO REFTEL A ARE LISTED BELOW.

2. COMMERCE MINISTRY REGULATIONS FORBID TRADE WITH SOUTH AFRICA, RHODESIA, OR ISRAEL. OMAN GOVERNMENT REGULATIONS REQUIRE FOREIGN COMPANIES DOING BUSINESS IN OMAN TO REFRAIN FROM SHIPPING GOODS ON A VESSEL SAILING UNDER A BOYCOTTED FLAG OR CALLING AT A PORT OF THE BOYCOTTED COUNTRY. HOWEVER, THE SHIPPER IS NOT REQUIRED TO STATE THAT THE VESSEL IS NOT ON THE BLACKLIST. FIRMS ARE NOT REQUIRED TO STATE THAT THEY DO NOT DO BUSINESS IN ISRAEL. NATIONALITY OR RELIGION OF EMPLOYEES OR MANAGEMENT IS NOT QUESTIONED. THE OMAN GOV DOES NOT INSIST THAT PRIMARY SUPPLIERS OR CONTRACTORS REFUSE TO DO BUSINESS

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WITH SUBCONTRACTORS ON ISRAEL BOYCOTT BLACKLIST.

3. MECHANISMS FOR ENFORCING BOYCOTT ARE AS FOLLOWS:

A. CONTRACT CLAUSES IN LETTERS OF CREDIT ARE PRINCIPAL MEANS OF IMPLEMENTING BOYCOTT. INVOICES BY AMERICAN EXPORTERS MUST BE CERTIFIED BY AN ARAB CONSULATE IN THE U.S. POSITIVE

CERTIFICATES OF ORIGIN HAVE BEEN ACCEPTED SINCE EARLY 1977, AND LETTERS OF CREDIT NO LONGER REQUIRE FIRMS TO STATE THAT THE GOODS DID NOT ORIGINATE IN ISRAEL. INSURANCE FOR EXPORTERS MUST BE ARRANGED THROUGH FIRMS ACCEPTABLE TO THE OMANGOV.

B. LYE BOYCOTT IS NARROWLY RESTRICTED TO THE IMPORTATION OF GOODS FROM OR EXPORT OF OMANI GOODS TO A BOYCOTTED COUNTRY. BOYCOTT REGULATIONS FORBID COMPANIES TO IMPORT GOODS PRODUCED IN ISRAEL OR WHICH CONTAIN ISRAELI-MANUFACTURED PARTS. THE OMANGOV WILL NOT ALLOW EXPORTS OF CRUDE OIL ORIGINATING IN OMAN TO BE SOLD TO ISRAEL, RHODESIA, OR SOUTH AFRICA.

C. IMPORTS ARE NOT TIGHTLY CONTROLLED, AND BLACKLISTED NON-ISRAELI FIRMS ARE ABLE TO SELL TO OMAN OCCASIONALLY. THE OMAN-GOV IS MORE LENIENT THAN ITS PUBLIC STATEMENTS WOULD INDICATE. BARCLAYS BANK AND A NUMBER OF OTHER PREVIOUSLY BANNED FIRMS HAVE BEEN REMOVED FROM THE BLACKLIST. THE OMANGOV WILL SOMETIMES BAN A PARTICULAR DIVISION OF A FOREIGN FIRM RATHER THAN THE ENTIRE COMPANY.

D. ISRAEL BOYCOTT OFFICE, WHICH HAS BEEN TRANSFERRED FROM THE OMAN MINISTRY OF COMMERCE TO THE ROYAL OMAN POLICE, MAINTAINS A LIST OF BLACKLISTED COMPANIES. ADDITIONS OR DELETIONS OF FIRMS BANNED FROM DOING BUSINESS IN OMAN ARE PUBLISHED MONTHLY IN THE OFFICIAL GAZETTE. ENFORCEMENT OF BOYCOTT BLACKLIST RESTS LIMITED OFFICIAL USE

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WITH CUSTOMS DEPARTMENT OF ROYAL OMAN POLICE. CUSTOMS CLEARANCE FOR GOODS LANDED AT AIRPORT OR PORT REQUIRE APPROVAL OF ISRAEL BOYCOTT OFFICE, BUT WAIVERS CAN BE OBTAINED IN CERTAIN CASES.

E. SULTANIC DECREE ESTABLISHED THE ISRAEL BOYCOTT OFFICE IN JUNE 1972, AND SEVERAL REGULATIONS GOVERNING THE BOYCOTT OF ISRAEL WERE PROMULGATED. THE CENTRAL BANK OF OMAN HAS ISSUED AN INFORMAL CHECKLIST FOR LETTERS OF CREDIT.

F. THE OMANGOV IS NOT VERY STRICT IN ENFORCING THE BOYCOTT. GOODS NOT ACCOMPANIED BY BOYCOTT DOCUMENTATION ARE ALLOWED TO ENTER OMAN UPON PAYMENT OF A PENALTY FEE EQUAL TO 2 PERCENT OF VALUE. BLACKLISTED COMPANIES ARE ALLOWED TO SELL SPARE PARTS ON CERTAIN OCCASIONS IF THE ORIGINAL EQUIPMENT WAS WIDELY USED BEFORE 1972. ITEMS PARTICULARLY DESIRED BY THE GOVERNMENT WILL BE PURCHASED EVEN IF MANUFACTURER IS ON BLACKLIST.
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Sent Date: 10-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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